

From: [Lawrence J. Kupfer](#)
To: [Raymond Williams](#)
Cc: [Donald G. Cole](#); [sprehn](#); [Lorelei M. Farrington](#); [Samuel Hall, Jr.](#)
Subject: July 31 PSC Meeting
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Good morning Raymond. At a meeting with PSC Staff and Georgetown on Tuesday, we discussed Vitol and the potential savings of a Vitol buyout. We showed a potential savings of 1.79 C/KWHr. Georgetown asked about the basis for this and our Municipal Advisor indicated that we wanted to present a conservative estimate of the savings and that the figure of \$210MM was used as the purchase price. Our Municipal Advisor further explained that this is the price that would result if the letter of the contract was followed and that this would also be the highest price and, therefore, the most conservative estimate of savings. We further explained that we would expect to come in lower than this number and a number of \$100 million was mentioned as a low side potential and therefore savings could be higher.

The \$210MM figure has never been disclosed publicly. The \$210MM figure has never been disclosed to potential investors. The \$210MM figure has never been discussed with Vitol. Furthermore, there are no proposals that are based on this \$210MM figure. There is great concern in disclosing information like this publicly as it puts WAPA at a disadvantage in negotiations with Vitol on the propane project and prospective investors and lenders on financings that will provide savings.

The PSC often complains about WAPA's lack of transparency and here we have an example of sharing information on a strategy we were considering with the PSC and then we have that information shared publicly by the PSC 24 hours later.

I hope that the information that was publicly shared yesterday does not complicate future negotiations over this matter and that, in the future, the PSC carefully consider the ramifications of publicly disclosing information provided to the PSC by WAPA.

Thank you.

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